

## The Gazette



## of India

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

NEW DELHI, TUESDAY, SEPTEMBER 6, 1949

GOVERNMENT OF INDIA  
MINISTRY OF LABOUR

ORDER

New Delhi, the 3rd September 1949

**No. LR-2(220).**—WHEREAS under the Order of the Government of West Bengal in the Commerce, Labour and Industries Department (Labour) No. 185 Lab., dated the 17th January 1949, the industrial disputes between the employers of the mercantile firms specified in the Schedule hereto annexed and the clerical and subordinate staff in their offices, along with the industrial dispute in relation to Phoenix Assurance Company, Limited, were referred for adjudication to a Tribunal with Shree Ashutosh Das Gupta, Additional District Judge, as Chairman and Shree Sailesh Chandra Chakravarty and Shree Sudhir Chandra Dutta Gupta, Additional District Judges, as members:

AND WHEREAS the said Tribunal has given its awards as shown in the annexure hereto;

Now, THEREFORE, in exercise of the powers conferred by sections 15 and 19 of the Industrial Disputes Act, 1947 (XIV of 1947), read with the Industrial Disputes (Banking and Insurance Companies) Ordinance, 1949 (No. VI of 1949), the Central Government is pleased to make the following Order and to direct with reference to section 17 of the said Act that the awards be published in the *Gazette of India*.

The awards made by the said Tribunal shall in so far as they relate to the mercantile firms specified in the Schedule, bind the companies and their workmen as specified therein for a period of one year.

SCHEDULE

1. The Liverpool and London and Globe Insurance Co., Ltd.,  
26, Dalhousie Square, Calcutta.
2. Royal Insurance Company, Ltd.;  
28/27, Dalhousie Square, Calcutta.
3. The South British Insurance Co., Ltd.,  
8/5, Netaji Subhas Road, Calcutta.
4. Caledonian Insurance Company,  
B.3, Clive Buildings, Calcutta.
5. Century Insurance Company, Ltd.,  
B.3, Clive Buildings, Calcutta.

6. North British and Mercantile Insurance Co., Ltd.,  
101/1, Netaji Subhas Road, Calcutta.
7. Scottish Union and National Insurance Company,  
6, Lyons Range, Calcutta.
8. Union Insurance Society of Canton, Ltd.,  
8, Netaji Subhas Road, Calcutta.

#### ANNEXURE

IN THE MATTER OF industrial disputes referred for adjudication by Order No. 135-Lab. of Government of West Bengal, dated the 17th January 1948 between the employers and the clerical and subordinate staffs of—

- (1) Liverpool & London & Globe Insurance Co., Ltd. (Serial No. 211 of list No. 1 of the order of reference).
- (2) Royal Insurance Company, Ltd. (Serial No. 281 of list No. I of the order of reference).
- (8) The South British Insurance Co., Ltd. (Serial No. 235 of list No. I of the order of reference).

#### PRESENT:

Sri Asutosh Das Gupta—*Chairman*.

Sri Sailesh Chandra Chakrabartty—*Member*.

REFERENCE.—*Government of West Bengal Order No. 135-Lab., dated the 17th January 1948, under sections 7 and 10 of the Industrial Disputes Act, 1947.*

#### Constitution of the Tribunal

Shri Asutosh Das Gupta, Chairman and Sri Sailesh Chandra Chakrabartty and Sri Sudhir Chandra Dutta Gupta, Members.

Sri Sudhir Chandra Dutta Gupta has been absent and his services being no longer available, the cases are being heard by the Chairman and the other member present.

#### Appearance

<i>Names of the firms</i>	<i>For the employers</i>	<i>For the employees</i>
Liverpool & London & Globe Insurance Co., Ltd.	{ Mr. S. Mallik (Jr.) of Messrs. Sanderson & Morgans, Solicitors.	Mr. B.K. Choudhury, Counsel instructed by Sri A. K. Sen Gupta, Secy. of the Union.
Royal Insurance Co., Ltd.		
The South British Insurance Co., Ltd.	Dr. H. C. Waight, Counsel, instructed by M/s. Orr Dignam & Co., Solicitors.	Mr. B.K. Choudhury, Counsel, instructed by Office bearers of the Overseas Insurers' Association.

The Liverpool & London & Globe Insurance Co., Ltd., and the Royal Insurance Co., Ltd., have since been amalgamated. The difference in the terms and conditions of employment in the two companies can no longer subsist. We accordingly give one award which shall be binding on the two companies since amalgamated and the employees of the amalgamated Company.

#### Pay and Dearness Allowance

*The Royal Insurance Co., Ltd., and the Liverpool & London & Globe Insurance Co., Ltd.—*

In 1946 or 1947, the Royal Insurance Co., Ltd., graded the clerks upto first 10 years of their service and in 1948 introduced the Bengal Chamber of Commerce grades as they existed prior to the award. The Liverpool & London &

Globe Insurance Co., Ltd. have hitherto no fixed grade and scale. We lay down the following grades and scales of pay for the clerical staff.

Special Grade—Rs. 260/- and upwards (scales of increment and the ceiling left to the discretion of the employers).

Grade A—Rs. 160—10—260

Grade B—Rs. 110—7—180

Grade C—Rs. 70—4—134

The minimum starting pay is fixed at Rs. 70 as against the existing minimum of Rs. 60. In the Royal Assurance Co., Ltd., the grades are already in existence. In the other Company the gradings shall initially be made on the principle of the Royal Assurance Co., Ltd. To fit the existing staff into the revised grades and scales, all members of the clerical staff shall be given a flat increment of Rs. 10 and no clerk shall be placed in a grade the outward limit of pay of which is below the salary of the clerk after this flat increment. If by this flat increment, the pay of any clerk does not reconcile with a stage in the revised scales, he shall be placed at the next higher stage. Increments may be stopped by way of punishment for habitual late attendance or other misconduct after going through the procedure prescribed for punishments.

The probationers shall get the lowest pay of the grades to which they belong.

The clerks shall get dearness allowance, according to Bengal Chamber of Commerce Scheme.

*Subordinate staff.*—Salary varies from Rs. 20 to 60 and the motor car drivers get Rs. 75. Dearness allowance is given according to the Bengal Chamber of Commerce Scheme. The total emoluments do not call for any interference. Basic salary shall not be less than Rs. 80. Those who are getting less than Rs. 80 shall be pulled up to Rs. 80. The increments thus given shall be deducted from the dearness allowance. The pay and dearness allowance of the new recruits shall be so adjusted that the basic pay is not less than Rs. 80.

*South British Insurance Co., Ltd.*

*Clerical Staff.*—Existing grades are—

Grade D—Rs. 60—5—107

Grade C—Rs. 75—10—130

Grade B—Rs. 100—15—180

Grade A—Rs. 150—20—350

Increments are given at the discretion of the Company. We only revise the D Grades, as detailed below:—

Rs. 70—5—100.

In consideration of the liberal scales of increment in the grades, we do not allow any flat increment to the clerks. We direct that only those people who are below Rs. 70 be pulled up to Rs. 70. The Company want to retain discretion to vary the increments within the grade according to efficiency and ability of the clerks. In view of the liberal scales of increment, we retain the discretion subject to the following safeguards:—

- (1) The increments in Grade D shall be automatic.
- (2) The minimum annual increment in Grade C shall be Rs. 7-8-0 and those in Grades B and A shall be Rs. 10. These minimum increments shall be automatic.

(3) While the employers will have the right to refuse the maximum increments in the event of the works of the clerks falling below the mark or for misconduct, the clerks shall be entitled to increments higher than the prescribed rates if they can show extra efficiency in their works.

(4) Continued inefficiency may even lead to dismissal in which case the procedure prescribed for punishment shall be gone through.

Probationers shall get the lowest pay of the grade to which he belongs.

Dearness allowance shall be paid according to the Bengal Chamber of Commerce scheme.

*Subordinate Staff.*—The present rates are:—

Rs. 25 for the first five years, thereafter the members are placed in Grades A and B and receive annual increments as detailed below:—

Grade A—Re. 1 per month.

Grade B—Re. 0.8-0 per month.

1st Driver—Rs. 70.

2nd Driver—Rs. 60.

They get dearness allowance at a flat rate of Rs. 49. Total emoluments do not call for any interference. Those who are drawing less than Rs. 30 shall be pulled up to Rs. 30. The amount of increment thus given shall be deducted from dearness allowance.

In all these companies, the increments given by the award to fit the existing staffs into the revised scales shall not debar the members to the normal annual increments.

#### **Retiring Age and Benefits.**

In supersession of the existing practice, we fix 55 as the age of retirement. But the employers shall have the discretion to allow extension on application of an employee from year to year not exceeding 5 years.

*Liverpool and London Globe Insurance Co., Ltd., and Royal Assurance Company Limited.*—

In the first mentioned Company there is a Contributory Provident Fund with  $8\frac{1}{2}$  per cent. contribution on both sides. The contribution was raised to  $8\frac{1}{2}$  per cent. in 1947, before which it was  $6\frac{1}{2}$  per cent. In the 2nd Company the contribution is  $6\frac{1}{2}$  per cent. on both sides but the employers are agreeable to raise it to  $8\frac{1}{2}$  per cent.

The members of the clerical and subordinate staffs are entitled to the benefit.

Interest on Provident Fund is 5 per cent. compound (not guaranteed) this is more beneficial to 10 per cent. contribution carrying simple interest. On retirement after 30 years of service and 60 years age, guaranteed payment from Fund equal to  $11/15$ th of month's salary for every year of service and for service of more than 15 but less than 30 years guaranteed payments equal to 1 month's salary for every year's service.

Payment on death whole of contributions. On retirement 50 per cent. immediately balance by instalments, balance to accrue interest, but if clerks can satisfy that they would get better return the whole may be paid.

*Life Insurance Concession.*—(1) Royal—Discount of 10 per cent. in 1st year and also exempted from normal extra of 5 per cent. on monthly payment.

(2) Liverpool—This privilege is not in existence but the employers are prepared to extend the privilege if the employees want it (only sanction from Superintendent of Insurance should be obtained).

We do not propose to disturb the Life Insurance Concession. This concession shall be extended to the employees of the Liverpool as proposed.

In view of the fact that the rate of interest, although not guaranteed, is quite reasonable, we do not propose to raise the rate of contribution. But if the interest is sought to be reduced, it will be open to the employees to apply to the Government to set up a Tribunal for revision of the rate of contribution. For the present, for both the Companies the employees shall subscribe  $8\frac{1}{2}$  per cent. of his salary and the employers shall contribute an equal sum.

The employees' contribution shall be paid to the employees in all cases of termination of service.

At present the Company pay 50 per cent. of the Provident Fund money the balance though carrying interest is paid in instalments at the discretion of the Company. This provision does not appeal to us. The entire money due to an employee under the rules shall be paid to him (or to his legal heirs, in the event of his death) on termination of his service on the application of the employee concerned (or his legal heirs in the event of his death).

*South British Insurance Co. Ltd.*—

The existing benefits are:

- (i) A gratuity on retirement subject to Gratuity Scheme Rules of 10 per cent. of the annual salary. A separate Gratuity Ledger is maintained and each member can verify amount posted to his credit annually. The 10 per cent. is paid by the Company and the beneficiary contributes nothing. At the wish of the staff this Scheme is being replaced by a recognised Provident Fund to be brought in shortly; basis of fund  $8\frac{1}{2}$  per cent. similar contribution by Company.
- (ii) At the discretion of the Head Office Directors small pensions have been awarded for outstanding service. At the present the Company have six pensioners drawing Rs. 40 per month and four drawing Rs. 30 per month. All served with Company over 30 years.

The gratuity scheme was introduced in December 1941. Prior to that there was a Contributory Provident Fund with 10 per cent. contribution on both sides. In view of the assurance given by the Company that they have no intention to discontinue the discretionary pension, we do not propose to interfere with the existing scheme. These benefits were extended to the members of the subordinate staff from 1939. Those members of the subordinate staff who had entered the Company's service before 1939 shall be given as gratuity  $\frac{1}{2}$  month's pay for each completed year of service prior to 1939, to be calculated on the pay just before the present award comes into force.

*In all the Companies*—

*Bonus*.—Only Profit sharing bonus was demanded. This demand was subsequently abandoned. All the three companies have hitherto paid some bonuses which they have no intention to discontinue. We accordingly leave the question outside adjudication.

*Canteen tiffin*.—According to our schemes, these are ex-gratia concessions and are left outside adjudication. Liverpool and London Globe Insurance Co. pay Rs. 2-8-0 as tea allowance to the employees. This is ex-gratia payment. The Company may discontinue this.

*Accommodation allowance, Children's education facilities*.—These demands are disallowed.

*Medical aid*.—In view of the fact that the employees of these firms are not denied the advantages offered by the State, we leave this point outside adjudication. We may however note that Royal Assurance Co. and Liverpool and London

Globe Insurance Co. have some arrangements which they do not contemplate to discontinue.

*Working Hours, Holidays, Overtime and Leave.*—The existing schemes of the Companies are detailed below:—

*Royal Assurance Co., Ltd., Liverpool and London and Globe Insurance Co., Ltd.*—

**Working hours—**

**Weekday—9.30 to 5 P.M. with  $\frac{1}{2}$  hour recess.**

**Saturdays—9.30 to 1 P.M. without recess.**

**Overtime allowance—**

**Overtime works not encouraged but if undertaken one day's pay is paid.**

*Holidays.*—All Negotiable Instruments Act holidays.

*Leave.*—No leave rule, but Company agree to give leave according to the Shops and Establishment Act.

In modification of the existing scheme, we lay down the following:—

*Working Hours.*—Normal working hours shall not exceed 39 hours in a week including  $\frac{1}{2}$  hour's recess at Midday from Monday to Friday.

*Overtime.*—Overtime works should be discouraged. But when necessary, overtime allowance shall be paid at 1.25 times the normal pay per hour according to the Shops and Establishment Act.

*Holidays and Leave.*—All holidays under the Negotiable Instruments Act shall be observed and leave shall be granted according to the Shops and Establishment Act.

*South British Insurance Co., Ltd.*—

**Working Hours :—Weekdays—10 to 5 P.M.**

**Saturdays—10 to 2 P.M.**

**} with 1 hr. recess on each day for luncheon.**

In view of the short working hours as compared with other mercantile firms, we do not propose to interfere with the existing practice in the Company for overtime works.

14 days' Annual Privilege leave.

Sick leave freely given if supported by Medical Certificate and recognised practitioner's recommendation and also leave on private urgent necessity. With the consent of the Union the existing leave dates are allowed to stand.

#### **Service Conditions**

(a) *Probation and confirmation.*—It is awarded that the period of probation shall not exceed 6 months though confirmation may be made earlier if the candidate is found suitable.

(b) *Service record.*—We award that service records be maintained and that adverse remarks shall be incorporated after giving the person an opportunity of explaining his conduct.

(c) *Enquiry before punishment, and Dismissal, discharge and retrenchment or other punishments.*—In case of retrenchment, the principle of "last come, first go" shall be applied. Exceptions may be made in case of persons with exceptional abilities.

Now come the question about dismissal and punishment. The employer has no doubt the right of punishing an employee but we frame the following rules which must precede any punishment:—

The first thing to be done is that a charge shall be framed and the person proceeded against shall be furnished with a copy of the charge and

the facts on which this is based. The person proceeded against shall submit his explanation. Then a future date should be fixed for the matter to be enquired into. If the person proceeded against is found innocent, the matter ends. If, however, he is found guilty, the employee concerned shall be supplied with a copy of the findings and the punishment proposed to be imposed. The employee will get an opportunity again to plead about the punishment only at this stage. If the Enquiring Officer himself is competent to inflict punishment on the person proceeded against, he will hear his pleadings and order what he thinks best. If the Enquiring Officer is anybody other than the Head of the Concern at Calcutta, an appeal shall lie with him within seven days of the communication of the order punishing the employee. In case the Enquiring Officer is not competent to inflict punishment, he will forward the proceedings to the authority competent to punish and that authority will hear the person again and then pass orders. If that authority be other than the Head of the Concern at Calcutta, an appeal shall lie likewise with the Head of the Concern at Calcutta. In all cases where the proposed punishment is discharge or dismissal the papers must be laid before the Head of the Concern at Calcutta who will hear the person proceeded against and then pass orders. The clerk proceeded against shall have always the right to be defended by any other employee or by any other retired employee. These are domestic matters and bringing outside agencies is not helpful to the person proceeded against. Any outsider may defend a person proceeded against with the permission of the enquiring officer.

We hope that the rules framed by us will remove apprehensions about abrupt termination of services and will give to the employee a sense of security which is essential for efficient working.

(d) *Retiring age*.—We decide that a man shall retire on completing 55 years. We do not favour extension of services, thereby blocking the way for younger people of get employments. In exceptional cases where both the employer and the employee agree, extension of services may be granted.

#### **Recruitments Rules, Recruitment, Promotion and Transfer.**

Transfer means allocation of different work. The Federation wants that there should not be any such transfer. We feel however that transfer of tables is necessary for two purposes:—

- (1) to make a particular clerk know work of the various departments; and
- (2) for stock taking of arrears of any one particular clerk working in a department for a sufficiently long period.

We do not approve of the idea that recruits should be done through the Union or the Federation. The Employer will select his own men.

#### **Recruitment.**

(i) Other things being equal, preference should be given to relations of employees, retired or in service. Between relations of employees, the appointment shall go to the more qualified.

(ii) Preference should be given to retrenched employees, if qualified.

(iii) In the matter of appointment to the higher grades of clerk, promotion from lower grade shall be the rule. Only in exceptional cases, recruitment may be made from outside.

Then comes the question of promotion from the clerical grade to the Officer's grade. We award that there should be no bar to promotion from clerical grade to the Officer's grade or from subordinate staff to clerical grade. As selection

must depend on the management, we cannot dictate that a certain percentage or a certain number of clerks must be promoted to the officer's grade. This must depend on suitability according to the standard of the management. We, however, like to remind that such promotions do change the outlook of the clerk and are conducive to more efficient work by the clerical staff.

**Recognition of the Unions as also Jurisdiction of the Tribunal to order for recognition**

Recognition of the Union is not a condition of service and is not an industrial dispute within the meaning of Industrial Disputes Act. Labour Courts are going to be established soon and it will be the business of that Court to order for recognition of the Unions.

**Travelling Allowance**

Travelling allowance is paid, in all these Companies to the employees when travelling is performed in course of duty but no travelling is allowed when an employee is on leave. The existing practice shall stand.

**Uniforms and Umbrellas to Menials**

Uniforms and umbrellas for outdoor duty shall be supplied, if not already supplied.

A. T. DAS GUPTA,  
Chairman.

The 26th April, 1949.

S. C. CHAKRAVARTY,  
Member.

The 26th April, 1949.

IN THE MATTER OF industrial disputes, referred to for adjudication by Order of reference No. 135-Lab., dated the 17th January, 1948 of the Government of West Bengal, Labour Deptt., between—

- (1) Caledonian Insurance Company, B3, Clive Buildings, Calcutta (Serial No. 193 of list No. I of the order of reference).
- (2) Century Insurance Company, Limited, B3, Clive Buildings, Calcutta (Serial No. 194 of list No. I of the order of reference).
- (3) North British and Mercantile Insurance Co., Ltd., 101/1, Netaji Subhas Road (Serial No. 221 of list No. I of the order of reference).
- (4) Phoenix Assurance Co., Ltd., 28, Dalhousie Square, Calcutta, (Serial No. 226 of list No. I of the order of reference).
- (5) Scottish Union and National Insurance Company, 6, Lyons Range, Calcutta (Serial No. 232 of list No. I of the order of reference).  
and the clerical and subordinate staffs in their offices, represented by Overseas Insurers Employees' Association.

**PRESENT**

Sri Asutosh Das Gupta—Chairman.

Sri Sailesh Chandra Chakaravartty—Member.

REFERENCE.—Government of West Bengal Order No. 135-Lab. dated 17th January, 1948, under sections 7 & 10 of the Industrial Disputes Act, 1947.

**Constitution of the Tribunal.**

Sri Asutosh Das Gupta—Chairman.

Sri Sailes Ch. Chakarabartty.

Sri Sudhir Chandra Dutta Gupta—Members.

} Members



Sri Sudhir Chandra Dutta Gupta has been absent and his services being no longer available, the cases are being heard by the Chairman and the other member present.

#### Appearance

For (1) Caledonian Insurance Co., Dr. H. G. Waight, Counsel, instruct-  
 (2) Century Insurance Co., Ltd., ed by Messrs. Orr Dignam & Co. and  
 (3) North British and Mercantile Messrs Dutta and Sons, Solicitors.  
 Insurance Co., Ltd.,  
 (4) Scottish Union and National  
 Insurance Company.

For (5) Phoenix Assurance Co., Ltd., Sri S. Mallick (Jr), Solicitor of  
 Messrs. Sandersons & Morgans.

For the Employees:

Sri B. K. Chowdhury, Counsel assist-  
 ed by the Office-bearers of Overseas  
 Insurers Employees' Association.

#### AWARD.

Before we enter into the merit of the five cases, we are to consider a preliminary question which was raised before us for the Caledonian Insurance Company and the Century Insurance Company, Limited. These two companies were originally distinct and separate. Subsequently, the Manager of the Caledonian Insurance Company, was authorised to carry on the work for the Century Insurance Company, Ltd., with the staff of the Caledonian Insurance Company. At present the works of both the companies are carried on with the staff of the Caledonian Insurance Co., and the Caledonian Insurance Company is properly re-imbursed by the other Company for the expenditure incurred on its behalf. The question is whether the Century Insurance Co., Ltd., is the employer of these employees. A correct decision on this point will require a scrutiny in the workings of the two Companies and their accounts which have not been placed before us. In view of this practical difficulty, the learned Counsels on both sides conceded, after the case was opened, that a decision on this point was unnecessary.

#### Pay and Dearness Allowance.

The Caledonian Insurance Co., the Century Insurance Co., Ltd., and the Phoenix Co., Ltd., have no fixed grades and scales for the clerical staff, except that they give a minimum commencing salary of Rs. 60 p.m. The other two companies, *viz.*, the North British and Mercantile Insurance Co., Ltd., and the Scottish Union and National Insurance Company have adopted the Bengal Chamber of Commerce Scheme as it was prior to the rent award. With this modification that the Scottish Union and National Insurance Company have no D Grade and that in the North British and Mercantile Insurance Company, Ltd., men in D Grade are normally pulled up to C Grade in 2 years, we abolish the D Grade and lay down the following grades and scales for the clerical staff:

Special Grade	...	...	...	Rs. 260 and upwards.
Grade A	...	...	...	Rs. 160—10—260.
Grade B	...	...	...	Rs. 110— 7—180.
Grade C	...	...	...	Rs. 70— 4—124.

Typist will come under Grades B and C according to efficiency, and Stenographers, if any, shall come under Grade B. Each and every member of the clerical staff of the North British and Mercantile Insurance Co., Ltd., Phoenix

Assurance Co., Ltd., and Scottish Union and National Insurance Company will get a flat increment of Rs. 10 p.m. If after giving such increment the salary of any of these clerks does not reconcile with any stage of the revised scales, he shall be placed at the next higher stage. For the Caledonian Insurance Company and Century Insurance Company Ltd., in view of the fact that the clerks had been given fairly liberal increments during the last few years and instead of giving a flat increment we direct that the pay of each clerk shall be adjusted in a way so that his present pay may not be less than what he would have got if he were appointed with a starting salary of Rs. 70 and had got increments at the rate of Rs. 3 p.m. throughout the entire length of his service. If by such adjustment, the pay of any clerk is in between two stages of the revised scales, he shall be placed at the next higher stage. The last mentioned principle shall also apply to those whose existing pay does not call for any adjustment.

Probationers shall get the lowest pay of the category to which they belong. Gradings of the clerks are left to the employers. The employers shall grade the clerks, according to the nature of their jobs, having regard to the existing practice so that none is prejudicially affected by the revised gradings. For the Caledonian Insurance Co. and Century Insurance Co., Ltd., and Phoenix Assurance Co., Ltd., which have at present no fixed scheme of grading for the clerical staff, we direct that no clerk shall be placed in a grade where the maximum salary of the grade is less than what his salary comes to after giving the increment shall be given with effect from 1st January, 1949.

The new grades and scales of increment which we have laid down shall not in any way affect the scheme of special increments, if any, to those of the employees who pass one or other of the examinations of the Chartered Insurance Institute. All the five companies are paying the clerical staff dearness allowance, according to the scheme and scales of the Bengal Chamber of Commerce. This shall continue.

*For the Subordinate Staff*—Our idea is that the total emoluments for a member of the subordinate staff should not be less than Rs. 60, out of which at least Rs. 30 shall be basic salary. In the Caledonian Insurance Company and the Century Insurance Co., Ltd., there are 8 menials, the basic salary of whom varies from Rs. 27 to Rs. 39. They are however paid dearness allowance, according to the Bengal Chamber of Commerce Scale. In the Phoenix Assurance Co., Ltd., young boys are engaged with a starting salary of Rs. 18 and the maximum for old bearers is Rs. 35. In the North British and Mercantile Insurance Company, Ltd., the minimum is Rs. 20. The Scottish Union and National Insurance Company however adopted the Bengal Chamber of Commerce scales, as they stood prior to the award. The terms are as follows:

Peons' basis salary—Rs. 25—1—35E.B.—1—45.

Duftary's basic salary—Rs. 56.

Motor Driver's basic salary—Rs. 55.

About dearness allowance, four of the Companies are paying the subordinate staff, according to the Bengal Chamber of Commerce Scheme. Only Phoenix Assurance Co., Ltd., pays Rs. 50 as dearness allowance to the senior peons and Rs. 26 to the juniors.

Our award in respect of the subordinate staff is:

- (1) *Caledonian Insurance Company and Central Insurance Co.*—The scales shall be Rs. 30—1—40. Those who are at present getting less than Rs. 30 shall be pulled up to Rs. 30. All shall get dearness allowance at the Bengal Chamber of Commerce scales.

- (2) *North British and Mercantile Insurance Co., Ltd.*—The existing minimum and maximum salary shall be increased by Rs. 10 and for a proper adjustment of the existing staff to the revised scales each and every member shall be given a flat increment of Rs. 10, with the corresponding reduction of the dearness allowance, from the Bengal Chamber of Commerce Scale without disturbing the total emoluments.
- (3) *Phoenix Assurance Co., Ltd.*—The existing grades and scales shall continue with these modifications that the minimum starting salary shall be Rs. 30 for the adults and for those who are below 18 years of age, the scales shall be reduced by one-fourth. There are only five persons getting less than Rs. 30 as basic salary. One of whom, Sarjumukhi is a part-time employee. The other four persons are said to be mere boys. If they are really over 18 years of age, their basic salary shall be raised to Rs. 30 on proof of their age to the satisfaction of the Manager by production of an extract of the Birth Register or horoscope, if any, or otherwise. The Manager's decision shall be final on this point. We do not propose to alter the basic salary and dearness allowance, of Sarjumukhi. A. S. Khan who is a Duftry is getting Rs. 25 as basic salary and Rs. 35 as dearness allowance. His basic salary shall be raised to Rs. 30 with a corresponding reduction in his existing dearness allowance, or in other words he will get Rs. 30 as dearness allowance. We do not propose to interfere with the existing practice of paying dearness allowance except that for an employee 18 years of age or over it shall not be less than Rs. 30 and that of an employee below 18 shall be Rs. 22-8-0.
- (4) *Scottish Union and National Insurance Company.*—At present there is only one man below Rs. 30. He is to be pulled up to Rs. 30 and for this one man, the Manager does not like to reduce the dearness allowance. All members of the existing subordinate staff shall get dearness allowance at the Bengal Chamber of Commerce Scales. For the future entrants to the Peon's grade, the scale shall be Rs. 30—1—35 E.B.—1—45 and for future entrants of this grade the dearness allowance shall be reduced by Rs. 5. We do not interfere with the grades for duftries and motor-drivers.

#### Retiring age and retiral benefits

Most of these companies with the exception of Scottish Union and National Insurance Company has no fixed rule about the age of retirement. The Scottish Union and National Insurance Company has fixed 60 as the age of retirement. The Company shall have the discretion to allow extension from year to year not exceeding five years, regard being had to the health, ability and efficiency of the employee concerned. In no case an employee over the age of 60 shall be retained in service.

The retirement benefits which the different companies have at present are detailed in Schedules A to A.

*The Caledonian Insurance Co. and the Century Insurance Co., Ltd.*—These two companies have a Contributory Provident Fund with a contribution on both sides at 8½ per cent. of the monthly salary bearing a guaranteed interest of 5 per cent. with half-yearly rest. The provident fund has also been included to the subordinate staff from January 1937. The provident fund for the clerical staff was started on the 1st of July 1932. Among the clerks in the two companies, only one man appears to have entered the Company's service in 1927, two in 1931 and two in 1932. A majority of the existing clerical staff gets the benefit of the provident fund from the very beginning of their services.

with the exception of the man who entered the Company's service in 1927. All members of the staff get benefit of the provident fund either from the date of their appointment or soon after their appointment. For the man who entered the Company's service in 1927, we do not propose to make any alterations in the Company's scheme about retirement benefits; for, each and every scheme cannot be projected 20 years back or so. In view of the fact that these two companies have been giving a guaranteed interest of 5 per cent. with half-yearly rest, we do not propose to increase the rate of monthly contribution. 15 years' service has been fixed as the minimum qualifying service for an employee to be entitled to the entire contribution of the employer. We recommend that this should be reduced to 10 years. And we hope that the Company will consider our recommendations. This rule shall apply to the clerical and subordinate staff.

*North British and Mercantile Insurance Co., Ltd.*—The company have got a gratuity scheme for the clerical and subordinate staff. We make the following changes.

- (1) It shall not be discretionary but obligatory, except when the employee is guilty of gross misconduct.
- (2) The entire gratuity money shall be payable after 10 years of service in the following circumstances:
  - (a) retirement due to old age;
  - (b) invalidation due to ill-health, certified by company's doctor; and
  - (c) retrenchment without any misconduct on the part of the employee.
- (3) The entire gratuity money shall be payable to the heirs of the employee in case of death after 10 years of service.

Cases for dismissal for misconduct, voluntary resignation and other cases not covered by this award shall be at the discretion of the company. This rule shall apply to the clerical and subordinate staff.

*Phoenix Assurance Company, Limited.*—At present pension is given to the employees at the discretion of the Company, although the company has no pension fund. We substitute the pension scheme by the following retiral benefits.

- (1) A Contributory Provident Fund shall be started with contribution on either side at 10 per cent. of the salary for a member of the clerical staff and with 6½ per cent. contribution for a member of the subordinate staff.
- (2) For the period before inauguration of the provident fund, the company shall pay gratuity to the members of the clerical staff at the rate of a month's pay for every year of service and for a member of the subordinate staff at the rate of 15 days' pay for each year of service. For calculation of the gratuity, the pay of the employee just before the date on which this award comes into operation shall be taken into account. The company shall draw the provident fund rules in consultation with the union. The main features shall be—
  - (A) that the employer's contribution shall be payable to the employee in whatever way his service may terminate;
  - (B) the employer's contribution shall be paid, according to the following principles:
    - (a) If any subscriber resigns or leaves his employment at his own request otherwise than by reason of superannuation, or on medical grounds or on the ground of age, deduction, according

to the scales specified below shall be made from the amount paid into the subscriber's account by the employer (including interest accrued to the employer's contribution).

- (i) Subscribers less than 10 years' standing—100 per cent.,
- (ii) Subscribers of 10 years' but less than 15 years' standing—50 per cent.
- (iii) Subscribers of 15 years' but less than 20 years' standing—25 per cent.
- (iv) Subscribers of 20 years standing or more—Nil.
- (b) If any subscriber be dismissed for serious misconduct, the Company will have the discretion to withhold the entire contribution of the company with interest.
- (c) In case of death or retirement due to old age or ill-health (to be certified by the Company's doctor) or retrenchment, 10 years' service shall be the minimum qualifying service for the entire of the Company's contribution. And deduction shall be made according to the following scales:
  - (i) Subscribers less than 3 years' standing—100 %.
  - (ii) Subscribers of 3 years but less than 6 years' standing—50 %.
  - (iii) Subscribers of 6 years but less than 10 years' standing—25 %.
  - (iv) Subscribers of 10 years' standing or more—Nil.

The amount of gratuity which is to be paid to the employee for the period prior to the inauguration of the Provident Fund shall be held by the Company and shall be payable to the employee along with Provident Fund money under circumstances similar to those under which the employee is entitled to the whole or part of the employer's contribution.

*Scottish Union and National Insurance Company.*—The present pension scheme shall be continued but the age of retirement is reduced to 55. The subordinate staff shall also come under this scheme. The employees shall also be admitted to the Staff Life Assurance Scheme as detailed in the Schedule,

#### **Bonus: Past, Present and Future**

It appears that all the four companies had been paying bonus in the past and we are assured that they have no contemplation to discontinue it. We accordingly keep the question outside adjudication.

#### **Canteen, Tiffin, Accommodation allowance, Children Education facilities and Medical Aid**

The demands of the Union on these points are disallowed

#### **Working Hours and Overtime**

The existing practice shall continue.

#### **Holidays**

All holidays under the Negotiable Act shall be given

#### **Leave**

For the Calendonian Insurance Co., Century Insurance Company Ltd., North British and Mercantile Insurance Co., Ltd., and the Scottish Union and National Insurance Company, the existing practice shall continue,

For the Phoenix Assurance Co., Ltd., at the desire of the parties, this point is left outside adjudication to be settled by the parties themselves by mutual co-operation. The motor-car driver pays for the substitute when he goes on leave. He should be allowed reasonable leave for which the Company shall pay the substitute.

#### **Travelling Allowance**

Reasonable travelling allowance shall be paid to the employees when travelling is performed in connection with duty. The demand for travelling allowance on leave is disallowed.

**Service Conditions: Probation, Confirmation, Service record, Enquiry before punishment, Dismissal, Discharge, Retrenchment or other Punishments, Retiring age, Recruitment Rules, Promotion Transfer and Recognition of the Unions**

We lay down some rules on these points which will be found in Schedule B. This shall form part of our award and shall be binding on the parties to it.

#### **Uniforms and Umbrellas for menials**

Uniforms and umbrellas for outdoor works shall be supplied to the menials.

(SD.) A. DAS GUPTA,  
*Chairman.*

22nd April, 1949

(SD.) S. C. CHAKRABARTTY,  
*Member.*

22nd April, 1949.

### **SCHEDULE A**

#### **Caledonian Insurance Company & Century Insurance Co.**

*Retiring Benefits.*—We have in force a Provident Fund which was stated on the 1st July 1932, contributions to which are paid by both parties at 8½ per cent. of the monthly salary, and by which a contributor is entitled to payment of the full amount standing to the credit of his account after a service of not less than 15 years. Interest of 5 per cent. is credited half-yearly. The Provident Fund was also extended to include all subordinate staff in January 1937.

The Provident Fund is India-wide and does not only apply to Calcutta.

We have no fixed gratuities on retirement owing to ill-health, but each individual case is given careful consideration, and this also applies to extension of sick leave over and above the normal terms as laid down under item 10.

### **SCHEDULE A-1**

#### **North British and Mercantile Insurance Co., Ltd.**

*Retiral Benefits.*—(a) It is the general practice and intention of this Company to pay gratuities on retirement, agreed to by the Company on account of age or ill-health, after completion of a minimum of 15 years' service, on the basis of one month's salary for each completed year of service at the rate of last salary immediately prior to retirement but our Head office retain the formal reservation that any such payment is at the discretion of the Directors.

(b) Further it is the custom and intention of the Company to pay to widows of employees dying whilst in the Company's service after completion of the

minimum qualifying period of 15 years, a gratuity of 2/3rds of the gratuity which would have been payable in the event of retirement of the employee at that time subject to the same formal reservation as to the right of the Directors. It will be recognised that there is no justification for paying the full amount to a widow, as the object of the gratuity is to provide for the old age of the employee himself and his immediate dependents and if, owing to his death, no such provision is required for the employee himself, it is only logical that the amount payable to his widow should be less than would otherwise accrue.

(c) If resignation on the grounds of ill-health, an employee who has completed the minimum qualifying period of 15 years' service would ordinarily receive the gratuity mentioned in para. (a).

(d) *Staff Insurance Scheme*.—The Company has in existence a special scheme of Staff Life Insurance at reduced rates of which the clerical staff can avail themselves. Particulars of the scheme have been lodged with the Superintendent of Insurance.

#### SCHEDULE A-2

##### Phoenix Assurance Co.

*Retiring benefit*.—No Provident Fund, Pension—an average of 50 per cent. of last year's pay at age 55 and after 30 years' service is given.

If age is 55 but service is less than 30 years but more than 20 years the pension will be proportionate.

For retirement at age and service below 55 and 20 years respectively for satisfactory reasons Gratuity according to D.C.

#### SCHEDULE A-3

##### Scottish Union and National Insurance Company

*Retiring benefits*.—A pension scheme has been introduced by the Company and the terms are given below. The entire cost is borne by the Company and the employees make no contribution to the Scheme.

1. When and so soon as a servant of the Company attains the age of 60 years, he shall retire from active service upon the conditions hereinafter referred to. The Directors may, however, without giving any reasons, require any servant to retire at an earlier age than 60, and may grant him a retiring allowance under this scheme. And, on the other hand, with the concurrence of the individual, they may continue his active services beyond the age mentioned. No servant dismissed shall benefit under this Scheme.

2. No servant shall receive a retiring allowance until he attains the age of 60 (under the exception specified in Clause 1), and in no case, save under special resolution of the Board, shall any servant who has not been for at least fifteen years in the service of the Company receive a retiring allowance. For the purpose of reckoning the length of service with the Company, credit will be given for one-half the time during which the servant concerned may have been in the employment of any other Insurance Company or Insurance Companies.

3. The retiring allowance shall be calculated on the basis of, for each completed year of service, one-sixtieth of the average fixed salary for the three years immediately preceding retirement, not including fees or over-riding commissions or other extra allowance of any kind, but in no case shall more than two-thirds of the said average salary be granted as a retiring allowance.

4. Retiring allowances shall be strictly alimentary, and shall not be subject at any time to assignment or attachment in any way whatever.

5. No retiring allowance will be payable to any servant who shall be or become engaged in any occupation for profit outside of the Company's business without the special sanction of the Directors, and should the service of another Insurance Company be entered the allowance shall immediately be forfeited.

6. Retiring allowances shall be granted and continued entirely at the pleasure of the Directors, and may be modified or withdrawn by them at any time. They shall cease immediately on the death of the retired servants

*Proposed staff Life Assurance Scheme.*—A whole Life Assurance payable at death and with premiums ceasing at age 55 years. One half of the premium to be paid by the Company so long as the employee is in the Company's service or on pension from the Company.

**Clerical Staff.**—

Assurance for	Rs. 2,000	where the annual basic salary is	Rs. 1,000 or under
"	Rs. 2,500	"	Rs. 1,001 upto Rs. 1500
"	Rs. 3000	"	Rs. 1,501 upto Rs. 2000
"	Rs. 3500	"	Rs. 2001 upto Rs. 2500
"	Rs. 4000	"	Rs. 2501 upto Rs. 3000
"	Rs. 5000	"	Rs. 3001 and upwards.

*Subordinate Staff excluding Motor Car Driver.*—Assurance for Rs. 1,000.

In the event of a member of the existing clerical staff not being eligible on medical grounds to be included in the Scheme, one-half of the sum assured according to the above scale will be paid by the Company on his death without payment of any premiums by such member. Assurances will be increased in accordance with the above scale when basic salaries are increased subject, however, to continuation of good health. If an additional assurance cannot be granted to a member of the clerical staff on medical grounds, the Company will pay on his death one-half of such benefit which the member has failed to obtain by a Staff Life Policy. In such an event no premium is payable by the member of the Staff.

If subordinate staff, as mentioned above, are not eligible for Life Assurance on medical or other grounds the Company will pay on their death during service or pension from the Company one-half of the benefit stated for subordinate staff.

The Company will issue detailed rules for the application of the Staff Life Assurance Scheme, and these will conform to the principles observed by the Company in other countries where similar Schemes are in force.

**SCHEDULE 'B'**

**Issue No. 12—Service conditions**

(a) *Probation and confirmation.*—It is awarded that the period of probation shall not exceed 6 months though confirmation may be made earlier if the candidate is found suitable.

(b) *Service record.*—We award that service records be maintained and that adverse remarks shall be incorporated after giving the person an opportunity of explaining his conduct.

(c) *Enquiry before punishment:* And



**Issue No. 14.—Dismissal, discharge and retrenchment or other punishments.**

In case of retrenchment, the principle of 'last come, first go' shall be applied. Exceptions may be made in case of persons with exceptional abilities.

Now comes the question about dismissal and punishment. The employer has no doubt the right of punishing an employee but we frame the following rules which must precede any punishment.

The first thing to be done is that a charge shall be framed and the person proceeded against shall be furnished with a copy of the charge and the facts on which this is based. The person proceeded against shall submit his explanation. Then a future date should be fixed for the matter to be enquired into. If the person proceeded against is found innocent, the matter ends. If, however, he is found guilty, the employee concerned shall be supplied with a copy of the findings and the punishment proposed to be imposed. The employee will get an opportunity again to plead about the punishment only at this stage. If the Enquiring Officer himself is competent to inflict punishment on the person proceeded against, he will hear his pleadings and order what he thinks best. If the Enquiring Officer is anybody other than the Head of the Concern at Calcutta, an appeal shall lie with him within seven days of the communication of the order punishing the employee. In case the Enquiring Officer is not competent to inflict punishment, he will forward the proceedings to the authority competent to punish and that authority will hear the person again and then pass orders. If that authority be other than the Head of the Concern at Calcutta, an appeal shall lie likewise with the Head of the Concern at Calcutta. In all cases where the proposed punishment is discharge or dismissal the papers must be laid before the Head of the Concern at Calcutta who will hear the person proceeded against and then pass orders. The clerk proceeded against shall have always the right to be defended by any other employee or by any other retired employee. These are domestic matters and bringing outside agencies is not helpful to the person proceeded against. Any outsider may defend a person proceeded against with the permission of the enquiring Officer.

We hope that the rules framed by us will remove apprehensions about abrupt termination of services and will give to the employee a sense of security which is essential for efficient working.

(d) *Retiring age*.—We decide that a man shall retire on completing 55 years. We do not favour extension of services, thereby blocking the way for younger people to get employments. In exceptional cases where both the employer and the employee agree, extension of services may be granted.

**Issue No 13.—Recruitment Rules: Recruitment, Promotion and Transfer**

Transfer means allocation of different work. The Federation wants that there should not be any such transfer. We feel however that transfer of tables is necessary for two purposes: (1) to make a particular clerk know work of the various departments; and (2) for stock taking of arrears of any one particular clerk working in a department for a sufficiently long period.

We do not approve of the idea that recruitments should be done through the Union or the Federation. The employer will select his own men.

*Recruitment*.—(i) Other things being equal, preference should be given to relations of employees, retired or in service. Between relations of employees, the appointment shall go to the more qualified.

(ii) Preference should be given to retrenched employees, if qualified.

(iii) In the matter of appointment to the higher grades of clerk, promotion from lower grade shall be the rule. Only in exceptional cases, recruitment may be made from outside.

Then comes the question of promotion from the clerical grade to the Officer's grade. We award that there should be no bar to promotion from clerical grade to the Officer's grade or from subordinate staff to clerical grade. As selection must depend on the management, we cannot dictate that a certain percentage or a certain number of clerks must be promoted to the Officer's grade. This must depend on suitability according to the standard of the management. We, however, like to remind that such promotions do change the outlook of the clerk and are conducive to more efficient work by the clerical staff.

**Issue No. 17.—Recognition of the Unions as also Jurisdiction of the Tribunal to order for recognition.**

Recognition of the Union is not a condition of service and is not an industrial dispute within the meaning of Industrial Disputes Act. Labour Courts are going to be established soon and it will be the business of that Court to order for recognition of the Unions.

In the matter of reference No. 185(Lab.) Government of West Bengal, dated the 17th January, 1948, and In the matter of industrial disputes between the employers and the clerical and subordinate staffs in the office of Union Insurance Society of Canton Ltd. (Serial No. 289 of list of the reference)

**PRESENT**

Sri Asutosh Das Gupta—Chairman,

Sri Sailesh Chandra Chakrabarti—Member.

A tribunal was constituted by the Government of West Bengal by order No. 185(Lab.), dated the 17th January 1948, with Sri Asutosh Das Gupta as Chairman and Sri S. C. Chakrabarti and Sri Sudhir Chandra Dutta Gupta as members. Sri Sudhir Chandra Dutta Gupta was absent, and his services having been no longer available, the case was heard by the Chairman and the other member present.

For the Company

Sri S. K. Mallik (Jr.) of M/s. Sanderson and Morgans, Solicitors, assisted by the local Manager of the Company.

For the employees

Sri B. K. Chowdury, Counsel, assisted by the office bearers of the Union.

**AWARD**

**Pay and Dearness allowance**

Dearness Allowance is paid to all employees (both clerical and subordinate staffs) at the Bengal Chamber of Commerce Scheme. The Company follow substantially the grades recommended by the Bengal Chamber of Commerce but allow better scales of increment for conscientious employees. At present, the Company have four clerical grades including the Special Grade. There are three persons in the Special Grade, the first man gets Rs. 410 and the last man in the Grade gets Rs. 285. Similarly, the last men in the A, B, C Grades get Rs. 175, Rs. 155 and Rs. 60, and the first men in these Grades get Rs. 270, Rs. 190 and Rs. 180, respectively. Among the members of the subordinate staff, the last man gets Rs. 25 while the first man gets Rs. 70. The Union does not press for any interference. The existing schemes shall stand.

**BONUS**

The only demand of the Union was for profit sharing bonus. This was subsequently abandoned through Sri N. De, Counsel. One month's salary has been paid as bonus during Pujas as *ex gratia* payment and the Company have no intention to discontinue. In addition, last year, each employee was paid 10 per cent. of his salary as further bonus for loyal services under instruction from the Head Office of the Company. In view of the assurance of the Company, we leave the point outside adjudication.

**Allowance for housing, education and medical aid to dependants, canteen and tiffin**

No such allowances paid. These are *ex gratia* matters and are hence left outside adjudication.

**Retirement Benefits**

The Company had a 5 per cent. contributory provident fund which was closed in 1938 and the employees' contributions were paid to them. Since then, retirement benefits have been at the discretion of the Board of Directors and the Company say that the discretion has been always generous.

The Company have however suggested the following scheme for members of both the clerical and subordinate staffs:—

- |   |  |
|---|--|
| (i) For retirement at 55 years after completing 30 years' service.  | (a) 50 per cent. of average last 3 years' basic salary.  |
|   | (b) Lump sum equal to 8½ years' basic pay on date of retirement.   |
|   | (c) Society may purchase an annuity equal to pension.  |
| (ii) For retirement before the age of 55 but after completion of 30 years' service (with Society's approval). | A pension equal to—<br>$\frac{\text{years of service} \times 50 \text{ per cent.}}{80}$ of average last 3 years' basic salary. |
| (iii) For retirement owing to the incapacity with Society's consent.  | (a) For 3 years' service but below 10 years' service ... ½ month's pay each year.  |
|   | (b) For 10 years' service or over ... 1 month's pay each year.   |
| (iv) In case of death while in service.   | (a) Below 3 years' service ... Nil.  |
|   | (b) For 3 years' service but below 10 years' service ... 1 year's basic salary.  |
|   | (c) For 10 years' service but below 20 years' service ... 1½ years' basic salary.  |
|   | (d) For 20 years' service but below 30 years' service ... 2½ years' basic salary.  |
| (v) No pension for employees  | (a) Dismissed.   |
|   | (b) Of less than 20 years' service on voluntary resignation.   |

An employee coming under the scheme (i) is to state at the time of retirement which of the alternatives (a), (b) or (c) he would elect.

We had a long discussion on the scheme. Some alternations suggested by the Union through us were agreed to by the local Manager. We accordingly recast the scheme as follows:

- (i) For retirement at the age of 55 after completion of 30 years' service
- (a) 50 per cent of the average 3 years' basic salary.
- Or
- (b) Lumpsum equal to 5 years' basic pay on the date of retirement.
- Or
- (c) Society may purchase an annuity equal to pension
- (ii) For retirement before the age of 55 but after completion of 30 years' service.
- (a) A pension equal to—
- $$\frac{\text{years of service} \times 50 \text{ per cent.}}{80}$$
- of the average last 3 years' basic salary (not exceeding 50 per cent. of the average last 3 years' basic salary)
- (b) Lumpsum =  $\frac{\text{Length of Service}}{30} \times 5 \text{ years' basic salary (not exceeding 5 years' basic salary).}$

An employee coming under scheme (i) or (ii) will state at the time of retirement which of the alternative schemes he would elect.

- (iii) For retirement owing to incapacity (certified by Society's doctor) with Society's consent for retrenchment and for termination of service by death.
- Lumpsum equivalent to  $\frac{\text{length of service} \times 5 \text{ years' basic salary at the time of termination of service (not exceeding 5 years' basic salary)}}{80}$

- (iv) No pension for employees dismissed for misconduct and for employees voluntarily resigning before completion of 20 years' service.

This scheme shall be introduced within a month from the date of publication of the award

#### Service conditions

(a) *Probation and confirmation*—It is awarded that the period of probation shall not exceed 6 months though confirmation may be made earlier if the candidate is found suitable.

(b) *Service record*—We award that service records be maintained and that adverse remarks shall be incorporated after giving the person an opportunity of explaining his conduct.

(c) *Enquiry before punishment, and Dismissal, discharge and retrenchment or other punishments.*—In case of retrenchment, the principle of "last come, first go" shall be applied. Exceptions may be made in case of persons with exceptional abilities.

Now comes the question about dismissal and punishment. The employer has no doubt the right of punishing an employee but we frame the following rules which must precede any punishment:

The first thing to be done is that a charge shall be framed and the person proceeded against shall be furnished with a copy of the charge and the facts on which this is based. The person proceeded against shall submit his explanation. Then a future date should be fixed

for the matter to be enquired into. If the person proceeded against is found innocent, the matter ends. If however, he is found guilty, the employee concerned shall be supplied with a copy of the findings and the punishment proposed to be imposed. The employee will get an opportunity again to plead about the punishment only at this stage. If the Enquiring Officer himself is competent to inflict punishment on the person proceeded against, he will hear his pleadings and order what he thinks best. If the Enquiring Officer is anybody other than the Head of the Concern at Calcutta, an appeal shall lie with him within seven days of the communication of the order punishing the employee. In case the Enquiring Officer is not competent to inflict punishment, he will forward the proceedings to the authority competent to punish and that authority will hear the person again and then pass orders. If that authority be other than the Head of the Concern at Calcutta, an appeal shall lie likewise with the Head of the Concern at Calcutta. In all cases where the proposed punishment is discharged or dismissal the papers must be laid before the Head of the Concern at Calcutta who will hear the person proceeded against and then pass orders. The clerk proceeded against shall have always the right to be defended by any other employees or by any other retired employee. These are domestic matters and bringing outside agencies is not helpful to the person proceeded against. Any outsider may defend a person proceeded against with the permission of the Enquiring Officer.

We hope that the rules framed by us will remove apprehensions about abrupt termination of services and will give to the employee a sense of security which is essential for efficient working.

(d) *Retiring age*.—We decide that a man shall retire on completing 55 years. We do not favour extension of services, thereby blocking the way for younger people to get employments. In exceptional cases where both the employer and the employee agree, extension of services may be granted.

### **Recruitments Rules, Recruitment, Promotion and Transfer.**

Transfer means allocation of different work. The Federation wants that there should not be any such transfer. We feel, however, that transfer of tables is necessary for two purposes:

- (1) to make a particular clerk know work of the various departments; and
- (2) for stock taking of arrears of any particular clerk working in a department for a sufficiently long period.

We do not approve of the idea that recruitments should be done through the Union or the Federation. The Employer will select his own men.

### **Recruitment**

- (i) Other things being equal, preference should be given to relations of employees, retired or in service. Between relations of employees, the appointment shall go to the more qualified.
- (ii) Preference should be given to retrenched employees, if qualified.
- (iii) In the matter of appointment to the higher grades of clerk, promotion from lower grade shall be the rule. Only in exceptional cases, recruitment may be made from outside.

Then comes the question of promotion from the clerical grade to officer's grade. We award that there should be no bar to promotion from clerical grade to the Officer's grade or from subordinate staff to clerical grade. As selection

must depend on the management, we cannot dictate that a certain percentage or a certain number of clerks must be promoted to the Officer's grade. This must depend on suitability according to the standard of the management. We, however, like to remind that such promotions do change the outlook of the clerk and are conducive to more efficient work by the clerical staff.

### **Recognition of the Unions as also Jurisdiction of the Tribunal to order for Recognition.**

Recognition of the Union is not a condition of service and it not an industrial dispute within the meaning of Industrial Disputes Act. Labour Courts are going to be established soon and it will be the business of that Court to order for recognition of the Unions.

### **Medical Allowance to Employees**

At Society's discretion, certain medical expenses are paid such as:

- (a) doctor's charges for visits.
- (b) Hospital fees, operation fees.
- (c) Typhoid, small pox inoculations.

(Special medicines not payable. We do not propose to enlarge upon the existing scheme).

### **Working hours**

**Weekdays** 9-30 to 5.00 (1 hour's recess)

**Saturdays** 9-50 to 1.30 (no recess)

The Union prayed for reduction of the daily spread over by reducing the recess period. But the Company which had a large Re-insurance business has to keep its office open for sometime both before and after the usual office hours of the insurance companies for informations. In view of the practical difficulty, in the office business of the company, we do not propose to interfere.

### **Holidays**

All public holidays (under the Negotiable Instruments Act).

### **Overtime**

The Company do not pay any overtime allowance. It is said that staff position is such that overtime should not be necessary. In view of other amenities, we do not propose to saddle the Company with any burden for overtime allowance. We leave the matter to the discretion of the Society.

### **Leave**

#### **A. Privilege Leave—**

- |  |     |     |         |                  |
|--|-----|-----|---------|------------------|
| (a) Up to 15 years' service                | ... | ... | 14 days | } not cumulative |
| (b) Between 15 years and 25 years' service | ... | ... | 21 days |                  |
| (c) Over 25 years' service                 | ... | ... | 28 days |                  |

B. Casual Leave.—At Society's discretion which is said to have been generous.

C. Sick Leave.—On recommendation of Society's medical adviser at Society's discretion. The Union does not press for any alteration. The existing leave rules shall stand.

### **Uniforms and umbrellas to Menials**

Uniforms shall be supplied to the menials e.g. beards, durwans etc. and also umbrellas for outdoor works.

---

**Travelling Allowance**

---

Travelling allowance shall be paid for journey on duty but not for journey on leave.

A. T. DAS GUPTA,

*Chairman.*

*The 29th April, 1949.*

S. C. CHAKRAVARTY,

*Member.*

*The 29th April, 1949.*

*The 3rd September, 1949*

K. N. SUBRAMANIAN,

*Joint Secretary to the Government of India.*

